Exhibit A -

Exhibit 2 - part 2

SAUDI ARABIAN ECONOMY DURING 1983

In looking at the domestic economy of the past year, one cannot ignore the general slowdown from the breathtaking growth we experienced over a long period of time. Compared to outside economies, however, we are still among the world's fastest growing countries.

The reason for this development was a considerable reduction in oil revenues; most foreign countries could hardly manage to overcome the recessions with which they were faced. For Saudi Arabia, the most significant change took place when the government decided to reduce up-front payments on contracts. This led to a tight cash situation throughout the Kingdom for most of the year. Without any doubt, this new policy increased the competitiveness in these markets and brought a contraction of profit margins. This again started a structural improvement of the domestic economy which will strengthen the country for future challenges. It was a clear signal by the government to give the more imaginative and cost-conscious entrepreneur the chance he deserves to grab a part of the market.

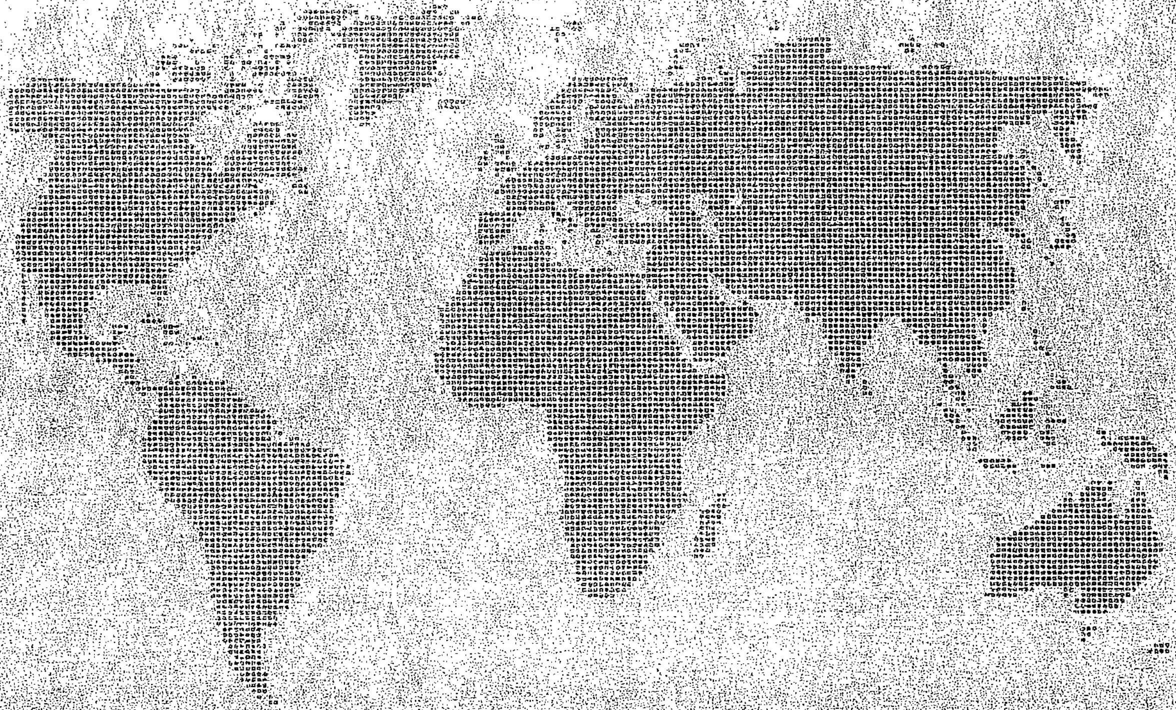
In general, the government held on to its plans to improve further the infrastructure despite a reduced budget. As an illustration, we can report the opening of the new airport in Riyadh, and also a large number of schools, hospitals, road complexes, desalination plants, etc. New plants have been erected for the manufacture of petrochemical products. The progress in this field is significant, and Saudi Arabia showed the world its determination to become a major marketer of such products.

Extensive studies have provided information that – apart from oil – the Kingdom is blessed with large reserves of other marketable raw materials. The opening of the first gold mine was just the start of effective commercialization of such resources in the years ahead.

In spite of extremely high costs, there was no slowdown in the agricultural sector. Utilizing the most sophisticated machinery, it was possible to increase productivity and reduce production costs. A more effective distribution network for domestic farmers will soon be operational.

Strong signals were still being sent out by customer-related sectors, although warning indicators from saturated markets for certain fast-living foreign consumer goods did not pass unnoticed. Large discounts were applied to help reduce costly inventories. A more sophisticated consumer also asked for greater after-sales services for certain products which left many retailers with smaller profit margins.

This brings us to emerging service industries, where much growth potential is apparent. In 1983, there was still a lack of the skilled labor which must be provided to these industries. The banks were leading the field by aggressively expanding their network all over the Kingdom. They generated thousands of new jobs. Thanks to excellent labor-training programs and the latest on-line computer systems, the productivity of each bank employee increased significantly. This will facilitate further expansion of the Saudi Arabian economy in the coming years.



WORLD ECONOMY IN 1983

The year 1983 began inauspiciously. Recession, unemployment, the lesser developed countries' huge debts, and mounting political tensions did not create the kind of climate conductive to energetic growth. However, forecasts and reality were once again at odds, leaving many experts with long, pale faces!

Of course, we did not see a well-balanced revival of the world's economies. To the contrary, it was to a great extent the vital US that set a standard of its own, followed by the rest of the world. The United States harvested its crop from seeds sown a couple of years ago: from mid-1981 to the end of 1982, the prime rate fell from 20% to below 12%. Also, the Federal Reserve Board supported the President's highly stimulative fiscal policy, letting the money supply grow at 12-15% annually for the second half of 1982 until the middle of last year. This resulted in a capital spending rate that ran at post-war records! The fears of overheating and new inflation were fought successfully by the Fed, which masterminded the money supply and contributed to a controlled slowdown of US economic expansion.

Japan's GNP growth for the past year was mainly generated from an export boom, supported by a weak currency. The domestic consumption was actually at recessionary levels for most of the year. During the fourth quarter, however, domestic spending accelerated strongly, helping a large number of small- and medium-size manufacturers to increase spending plans and salaries. The recovery started to produce its own momentum, creating a favorable economic environment for a promising 1984.

While in the USA advanced deregulation measures created a highly competitive atmosphere, new industries, and a metamorphosis of ailing industries, the EEC countries still spent too much money to support weak structures. Disagreement among member states on basic issues weakened the community as a trading block. Without any doubt, the political process in Europe absorbed too much energy to move the continent further ahead; this resulted in a loss of confidence expressed by large capital outflows to the US. Unlike Japan, however, the EEC countries, with their inflexible social structures, could not take full advantage of their cheap currencies until late in the year when foreign orders started to mount rapidly. This should result in a satisfactory growth rate in the coming year and help to encourage domestic investments and consumption.

The Middle East countries had to curb their ambitious budgets somewhat in the light of a weak oil market that finally forced a reduction in the benchmark price from 34 to 29 US dollars per barrel. However, the revival of the world economy should limit a drop in the oil price, guaranteeing further progress in the area.

The lesser-developed countries found themselves selling their precious raw materials at much lower levels than foreseen in order to repay or obtain credits. The debt rescheduling was supported by higher IMF quotas, which helped to stabilize the credit pyramid and bring those countries in question the necessary time to restructure their economies for the future. Controlling inflation, the main goal for next year, should help to attract long-term investors.